

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

## Part I Reporting Issuer

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
QCR Holdings, Inc. (as successor to Guaranty Federal Bancshares, Inc.)		42-1397595	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
TODD A. GIPPLE	(309) 743-7745	TGIPPLE@QCRH.COM	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and ZIP code of contact	
3551 Seventh Street		Moline, IL, 61265	
<b>8</b> Date of action		<b>9</b> Classification and description	
April 1, 2022		Common Stock of Guaranty Federal Bancshares, Inc.	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
40108P101		GFED	

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► See Attached.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See Attached.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► See Attached.

**Part II** **Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► See Attached.

**18** Can any resulting loss be recognized? ► See Attached.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ► See Attached.

**Sign  
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►

Date ►

Print your name ► JOHN OAKES

Title ► TREASURER/SENIOR VICE PRESIDENT

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

ALANA CARROLL

Preparer's signature

Date

6/22/2022

Check ☐ if  
self-employed

PTIN

P01263172

Firm's name ► DELOITTE TAX LLP

Firm's EIN ►

86-1065772

Firm's address ► 4550 E. 53RD ST, DAVENPORT, IA 52807

Phone no.

563-322-4415

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

**QCR Holdings, Inc.**  
**EIN: 42-1397595**  
**Attachment to Form 8937**

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”),<sup>1</sup> and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations related to the effects of the Merger (as defined below) on certain securities. The information contained herein does not constitute tax advice and does not purport to be complete or describe the tax consequences that may apply to particular persons or categories of persons. You are encouraged to consult your own tax advisor regarding the applicability and effect of all United States (“U.S.”) federal, state, local and foreign tax laws.

**Line 14**

On April 1, 2022, pursuant to the terms of the Agreement and Plan of Merger dated as of November 9, 2021 (the “Merger Agreement”), by and between Guaranty Federal Bancshares, Inc., a Delaware corporation (“Guaranty”), and QCR Holdings, Inc., a Delaware corporation (“QCR Holdings”), Guaranty was merged with and into QCR Holdings (the “Merger”), with QCR Holdings surviving the Merger.<sup>2</sup>

At the effective time of the Merger (the “Effective Time”), each share of Guaranty common stock (“Guaranty Common Stock”) issued and outstanding immediately prior to the Effective Time, was automatically cancelled and converted into the right to receive, at the election of the holder and subject to the terms and conditions described in the Merger Agreement:

- a) to the extent that the holder of such share made an election to receive only cash (the “Cash Electing Share” and “Cash Election”), cash in an amount of \$30.50 per share;
- b) to the extent that the holder of such share made an election to receive only common stock of QCR Holdings (the “Stock Electing Shares” and “Stock Election”), 0.56688 shares of common stock of QCR Holdings (“QCR Holdings Common Stock”) and cash in an amount of \$1.0828 per share (the “Stock Election Pro-Rated Amount”); or
- c) to the extent that the holder of such share made an election to receive common stock of QCR Holdings and cash (the “Mixed Electing Shares” and “Mixed Election”), 0.4702 shares of QCR Holdings Common Stock and cash in an amount of \$6.10 per share.

---

<sup>1</sup> Unless otherwise specified herein, “section” references are to the Code.

<sup>2</sup> Unless otherwise defined herein, capitalized terms used in this attachment have the meaning ascribed to them in the Merger Agreement.

In the event that a holder of Guaranty Common Stock did not make a Cash Election, Stock Election, or Mixed Election with respect to any or all shares of Guaranty Common Stock held by such holder, such holder received cash in an amount of \$30.50 per share.

**Line 15**

The Merger is intended to qualify as a tax-free reorganization under section 368(a).

Under sections 356(b), a shareholder of Guaranty Common Stock who exchanged its Guaranty Common Stock for a combination of QCR Holdings Common Stock and cash (*i.e.*, a Stock Election or Mixed Election was made with respect to any or all of the shares of Guaranty Common Stock) generally should recognize gain (but not loss) in an amount equal to the lesser of (i) the excess, if any, of the amount of cash plus the fair market value of QCR Holdings Common Stock received in the Merger, over such holder's tax basis in Guaranty Common Stock exchanged therefor, or (ii) the amount of cash received by such holder.

Under section 358(a), the aggregate tax basis of a shareholder of Guaranty Common Stock in QCR Holdings Common Stock received will generally equal such holder's aggregate tax basis in the shares of Guaranty Common Stock exchanged therefor, increased by the amount of taxable gain, if any, recognized by such holder, and decreased by the amount of cash received by such holder.

A shareholder of Guaranty Common Stock who received solely cash (*i.e.*, only a Cash Election or no election made with respect to all of Guaranty Common Stock) in exchange for shares of Guaranty Common Stock in the Merger generally should recognize gain or loss equal to the difference between the amount of cash received by such holder and such holder's tax basis in the shares of Guaranty Common Stock exchanged therefor.

**Line 16**

One reasonable method to determine the fair market value of the QCR Holdings Common stock is to use the mean of the highest and lowest quoted price on April 1, 2022 which is \$56.83 (high of \$57.65 and low of \$56.00). Other approaches to determine fair market value may also be possible and a holder of Guaranty Common Stock should consult its own tax advisor regarding the appropriate method for determining the fair market value.

For purposes of computing gain (but not loss) under sections 356(b), shareholders of Guaranty Common Stock should take into account the specified or default priorities on the elections when applying the cash received at the effective time of the Merger.

Further, where one share of QCR Holdings Common Stock is received in exchange for more than one share of Guaranty Common Stock, the tax basis must generally be allocated to the shares of QCR Holdings Common Stock received in a manner that reflects, to the greatest extent possible, the basis in the shares of Guaranty Common Stock that were acquired on the same date and at the same price. To the extent it is not possible to allocate the tax basis in this manner, the aggregate tax basis in Guaranty Common Stock surrendered must be allocated to QCR Holdings Common Stock in a manner that minimizes the disparity in the holding periods of Guaranty

Common Stock whose basis is allocated to any particular share of QCR Holdings Common Stock received.

**Line 17**

Sections 356(b), 358(a)-(b), 368(a) (for Stock Elections or Mixed Elections)

Section 1001 (for Cash Elections or no election)

**Line 18**

Shareholders who exchanged their Guaranty Common Stock for a combination of QCR Holdings Common Stock and cash may not recognize a loss in connection with the Merger.

Shareholder who exchanged their Guaranty Common Stock solely for cash may recognize loss in connection with the Merger.

**Line 19**

The reportable tax year is 2022 with respect to the holders of Guaranty Common Stock, who in each case are calendar year taxpayers.

*The information contained herein does not constitute tax advice and is intended to provide only a general summary and is not intended to be a complete analysis or description of all potential U.S. federal income tax consequences of the transactions described herein. Moreover, the discussion set forth above does not address tax consequences that may vary with, or are dependent on, individual circumstances. Shareholders are urged to consult with their own tax advisors with respect to the tax consequences of the transactions described herein as applicable to their particular circumstances.*